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Parliamentarian Rules out Key Medicaid Provisions in One Big Beautiful Bill

On June 26, the U.S. Senate Parliamentarian ruled that key Medicaid provisions from the One Big Beautiful Bill Act violated the Byrd Rule, essentially saying they cannot be included in the reconciliation package in their current form.

This comes after the Senate Finance Committee introduced its proposed changes to Medicaid provisions of the reconciliation language. WHA has continued to warn members of Wisconsin's Congressional delegation about the unfair Medicaid provisions in the legislation that have a disproportionate impact on Wisconsin.

As detailed in a previous edition of *The Valued Voice*, the House provisions would freeze Wisconsin's low provider tax in place, while allowing other states to keep the federal funding and higher Medicaid reimbursements generated by having provider taxes more than three times the rate of Wisconsin.

The Senate Finance Committee's proposal would go even further than the House, by gradually winding down the provider tax and the directed payments such taxes generate. Non-expansion states would see the limit go down 0.5% per year starting in 2027 until they reach 3.5%. Meanwhile, directed payments would also be reduced by 10% per year starting in 2027 until they reach 100% of Medicare rates for expansion states and or 110% of Medicare rates for non-expansion states.

WHA has continued to express concerns to Wisconsin's Congressional Delegation over how these proposals continue to treat Wisconsin unfairly compared to other states. While WHA is working with Governor Tony Evers and legislative leaders on an increase to the hospital assessment and state directed Medicaid reimbursements in the same way other states have done, actions by Congress could sweep the rug out from under Wisconsin if the One Big Beautiful Bill Act passes in its current form before a state budget is enacted.

WHA activated its grassroots HEAT alert network again earlier this week, urging hospital leaders to contact their federal officials urging them to oppose this legislation so long as it continues to treat Wisconsin unfairly. WHA also continues to be in close contact with federal legislative offices to urge them to contact House and Senate leadership with the request that flexibility be provided for Wisconsin.

As of publishing time, it was unclear how Senate Republicans intend to move forward with these key Medicaid provisions being ruled out. Some news reports have suggested that Republican Senate leadership is holding firm to the idea it can still start votes on the budget reconciliation as soon as Friday, with debate on amendments continuing over the weekend. This would all be in an attempt to send the bill back to the House for votes and then to President Trump before his preferred July 4 deadline.

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